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*Attorneys for Plaintiff, Bradley D. Sharp,
Chapter 11 Trustee*

**UNITED STATES BANKRUPTCY COURT
CENTRAL DISTRICT OF CALIFORNIA
LOS ANGELES DIVISION**

In re	Case No. 23-01990-NB
LESLIE KLEIN,	Chapter 11
Debtor.	Adv Case No.: 2:25-ap-01020-NB
BRADLEY D. SHARP, Chapter 11 Trustee,	SECOND JOINT STATUS REPORT
Plaintiff,	Date: May 6, 2025
v.	Time: 1:00 p.m.
LIFE CAPITAL GROUP, LLC, a limited	Location: U.S. Bankruptcy Court
liability company, SHLOMO Y. RECHNITZ,	Courtroom 1545
individually and as a member of LIFE	255 E. Temple St.
CAPITAL GROUP, LLC, YISROEL ZEV	Los Angeles, CA 90012
RECHNITZ, an individual, CHAIM	Judge: Hon. Neil W. Bason
MANELA, an individual, JONATHAN	
POLTER, an individual and as a manager of	
LIFE CAPITAL GROUP, and SECURITY	
LIFE OF DENVER LIFE INSURANCE	
COMPANY,	
Defendants.	

Plaintiff, Bradley D. Sharp, Chapter 11 Trustee (the “**Trustee**” or “**Plaintiff**”) and Life
Capital Group, LLC (“**LCG**”), Shlomo Y. Rechnitz (“**Shlomo**”), Yisroel Zev Rechnitz (“**Steve**”),
Chaim

Manela (“**Manela**”), Jonathan Polter (“**Polter**”), and Security Life of Denver Life Insurance Company (“**Security Life**”) each a defendant, together the defendants (the “**Defendants**”) and together with the Plaintiff, the “**Parties**”) hereby submit their second joint status report regarding the events that have transpired since the filing of the status report filed with the Court on March 6, 2025 [Adv. Docket No. 25] and represent as follows:

A. The Complaint

On January 23, 2025, the Trustee filed a complaint [Adv. Docket No. 1] (the “**Complaint**”) against the above-described parties seeking to avoid and recovery on account of certain transactions set forth in greater detail in the Complaint.

B. The Motions to Compel Arbitration, Answer, and Extensions

On March 10, 2025, LCG and Polter filed their motion to compel arbitration [Adv. Docket No. 26] (“**LCG Motion to Compel**”) and Shlomo and Steven filed a motion to compel arbitration [Adv. Docket No. 28] (the “**Rechnitz Motion to Compel**” and together with the LCG Motion to Compel, the “**Motions to Compel**”).

On March 24, 2024, Manela filed his answer to the Complaint. [Adv. Docket No. 36].

On March 28, 2025, the Plaintiff and Security Life entered into a stipulation extending Security Life’s time to respond to the Complaint until May 20, 2025, which is two weeks after the Court’s disposition of the Motions to Compel. [Adv. Docket No. 37]. The Court approved this stipulation on March 28, 2025. [Adv. Docket No. 38].

C. The Motions to Compel

In response to the Motions to Compel, the Plaintiff filed an opposition (the “**Opposition**”) [Adv. Docket No. 40] to the Motions to Compel. LCG, Polter, Shlomo, and Steve will file a reply to the Opposition on or before April 29, 2025. *See* [Adv. Docket Nos. 19 and 21]. The hearing on the Motions to Compel is scheduled for 1:00 p.m. on May 6, 2025.

D. Next Steps by the Parties

The Parties do not intend to meet and confer until after the Court’s disposition of the Motions to Compel.

E. The Trustee's Position

Notwithstanding the foregoing, the Trustee is not committing to stay this adversary proceeding, in whole or in part, and the Trustee's decision regarding the administration and prosecution of this adversary proceeding will not be made until after the Court's disposition of the Motions to Compel.

F. Security Life's Position

Security Life asserts that it should be immediately dismissed because it is not a party to the agreement in dispute in this adversary proceeding. If a voluntary dismissal is not provided, Security Life intends to file a motion to dismiss for failure to state a claim upon which relief can be granted.

With regard to the pending Motions to Compel, Security Life is not a party to the subject agreement(s) and therefore should be excluded from any prospective order(s) compelling arbitration.

G. Defendants' Position (Other Than Security Life)

If the Court grants the Motions to Compel, in their entirety or in part, then this adversary proceeding should be stayed pending completion of the arbitration proceedings, subject to Security Life's prospective motion to dismiss.

Dated: April 23, 2025

PACHULSKI STANG ZIEHL & JONES LLP

By /s/ John W. Lucas

John W. Lucas

Attorneys for Plaintiff, Bradley D. Sharp,
Chapter 11 Trustee

1 Dated: April 23, 2025

LEVENE, NEALE, BENDER, YOO &
GOLUBCHIK L.L.P.

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By Michael A. D'Alba
Beth Ann R. Young
Michael G. D'Alba
Attorneys for Defendants Life Capital Group and
Jonathan Polter

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Dated: April 22, 2025

LESNICK PRINCE PAPPAS & ALVERSON LLP

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By _____
Matthew A. Lesnick

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Attorneys for Defendants Shlomo Y. Rechnitz
and Yisroel Zev Rechnitz

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Dated: April , 2025

MCDOWELL HETHERINGTON

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By _____
John T. Burnite

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Attorneys for Defendant Security Life of Denver
Life Insurance Company:

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Dated: April 23, 2025

RHM LAW LLP

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By _____
Matthew D. Resnik

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Attorneys for Defendant Chaim Manela

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12 and Yisroel Zev Rechnitz

13 Dated: April 23, 2025

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15 By


John T. Burnite

17 Attorneys for Defendant Security Life of Denver
18 Life Insurance Company:

19 Dated: April 23, 2025

RHM LAW LLP

20
21 By

Matthew D. Resnik

22 Attorneys for Defendant Chaim Manela
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By _____
Beth Ann R. Young
Michael G. D'Alba
Attorneys for Defendants Life Capital Group and
Jonathan Polter

Dated: April 22, 2025

LESNICK PRINCE PAPPAS & ALVERSON LLP

By _____
Matthew A. Lesnick

Attorneys for Defendants Shlomo Y. Rechnitz
and Yisroel Zev Rechnitz

Dated: April , 2025

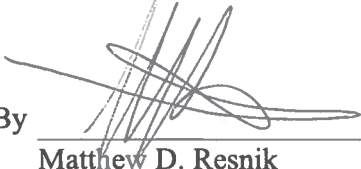
MCDOWELL HETHERINGTON

By _____
John T. Burnite

Attorneys for Defendant Security Life of Denver
Life Insurance Company:

Dated: April 24, 2025

RHM LAW LLP

By  _____
Matthew D. Resnik

Attorneys for Defendant Chaim Manela

PROOF OF SERVICE OF DOCUMENT

I am over the age of 18 and not a party to this bankruptcy case or adversary proceeding. My business address is:
10100 Santa Monica Boulevard, 13th Floor, Los Angeles, California 90067

A true and correct copy of the foregoing document entitled (*specify*): **SECOND JOINT STATUS REPORT** will be served or was served (**a**) on the judge in chambers in the form and manner required by LBR 5005-2(d); and (**b**) in the manner stated below:

1. TO BE SERVED BY THE COURT VIA NOTICE OF ELECTRONIC FILING (NEF): Pursuant to controlling General Orders and LBR, the foregoing document will be served by the court via NEF and hyperlink to the document. On (*date*) **April 23, 2025**, I checked the CM/ECF docket for this bankruptcy case or adversary proceeding and determined that the following persons are on the Electronic Mail Notice List to receive NEF transmission at the email addresses stated below:

- Michael G D'Alba mgd@lnbyg.com
- Jeffrey W Dulberg jdulberg@pszjlaw.com
- M. Jonathan Hayes jhayes@rhmfir.com,
roksana@rhmfir.com;matt@rhmfir.com;rosario@rhmfir.com;sloan@rhmfir.com;priscilla@rhmfir.com;re
beca@rhmfir.com;david@rhmfir.com;susie@rhmfir.com;max@rhmfir.com;russ@rhmfir.com
- Matthew A Lesnick matt@lesnickprince.com, matt@ecf.inforuptcy.com;jmack@lesnickprince.com
- John W Lucas jlucas@pszjlaw.com, ocarpio@pszjlaw.com
- Matthew D. Resnik matt@rhmfir.com,
roksana@rhmfir.com;russ@rhmfir.com;sloan@rhmfir.com;nina@rhmfir.com;susie@rhmfir.com;gabriela
@rhmfir.com;priscilla@rhmfir.com;rebeca@rhmfir.com;rosario@rhmfir.com;david@rhmfir.com
- Bradley D. Sharp (TR) bsharp@dsi.biz
- Nikko Salvatore Stevens nikko@cym.law, eService@cym.law,karen@cym.law
- United States Trustee (LA) ustpreion16.la.ecf@usdoj.gov
- Beth Ann R. Young bry@lnbyg.com, bry@lnbyb.com

☐ Service information continued on attached page

2. SERVED BY UNITED STATES MAIL: On (*date*) _____, I served the following persons and/or entities at the last known addresses in this bankruptcy case or adversary proceeding by placing a true and correct copy thereof in a sealed envelope in the United States mail, first class, postage prepaid, and addressed as follows. Listing the judge here constitutes a declaration that mailing to the judge will be completed no later than 24 hours after the document is filed.

☐ Service information continued on attached page

3. SERVED BY PERSONAL DELIVERY, OVERNIGHT MAIL, FACSIMILE TRANSMISSION OR EMAIL (state method for each person or entity served): Pursuant to F.R.Civ.P. 5 and/or controlling LBR, on (*date*) **April 23, 2025**, I served the following persons and/or entities by personal delivery, overnight mail service, or (for those who consented in writing to such service method), by facsimile transmission and/or email as follows. Listing the judge here constitutes a declaration that personal delivery on, or overnight mail to, the judge will be completed no later than 24 hours after the document is filed.

Via Email

John T. Burnite: john.burnite@mhllp.com

☐ Service information continued on attached page

I declare under penalty of perjury under the laws of the United States that the foregoing is true and correct.

April 23, 2025

Myra Kulick

/s/ Myra Kulick

Date

Printed Name

Signature